

Program B: Market Compliance Program

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2003-2004. Objectives may be key or supporting level. The level of the objective appears after the objective number and before the objective text.

Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicators are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year of the budget document. Performance indicators may be key, supporting, or general performance information level. Key level is indicated by a "K" in the "Level" column of the standard performance indicator table. Supporting level is indicated by an "S" in the "Level" column of the standard performance indicator table. General Performance Information indicators appear in tables labeled as General Performance Information.

Performance indicator values for continuation level are performance levels proposed by the agency in its continuation budget submission.

DEPARTMENT ID: 04H - Department of Insurance
 AGENCY ID: 04-165 Commissioner of Insurance
 PROGRAM ID: Program B: Market Compliance

1. (KEY) Through the Licensing Division of the Office of Licensing and Compliance, to oversee the licensing of producers in the state and to work with the Information Technology Division to effect a smooth transition to the e-commerce environment.

Strategic Link: This operational objective is related to 'Strategic Objective(s): 13.1 Work with IT division to design the internet/website access to producer license renewals and resolve issues such as which hard documents must be maintained, methods of payment of fees, whether/how to accept sworn statements via online, validity of online signatures, etc.; 1.3.2 Propose legislation to bring state laws, rules regulations in compliance with NAIC standards; 1.3.3 Restructure producer licensing functions as necessary to operate in the e-commerce environment and to comply with NAIC standards.

Louisiana: Vision 2020 Link: Objective 1.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: The Department of Insurance (DOI) must, by law, license all qualified applicants, and renew licenses for all qualified producers applying for renewal licenses. Renewal licenses must be processed within the time period set by law. Seasonal and temporary help are hired as required to handle this and increases in company appointments so that other tasks do not suffer.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
6416	K	Number of new producer licenses issued	15,700	14,460 ¹	15,500 ¹	15,500 ¹	15,500 ¹	15,500 ¹
6417	K	Number of producer license renewals processed	29,090	33,845 ¹	24,000 ^{1,2}	24,000 ^{1,2}	33,800 ¹	33,800 ¹
934	K	Number of company appointments processed	277,720	346,128 ^{1,3}	375,000 ^{1,3}	375,000 ^{1,3}	325,000 ^{1,3}	325,000 ^{1,3}

¹ A change in the law for licensing producers may change the number of new and renewal licenses issued and the number of company appointments processed. Licensing of Property and Casualty (P&C) producers occurs in one year, licensing of Life and Health (L&H) the next year; therefore once a full two-year cycle is completed (end of FY 2003-2004), the DOI will have a better idea of the numbers to estimate for these indicators.

³ Although the FY 2002-2003 performance standard for this indicator is 24,000, the department indicated in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend figure will be 25,000.

³ The increase in company appointments may be due in part to changes in the producer licensing law, and in part due to the mergers and acquisitions occurring among companies as well as the hardening of the market overall. Mergers and acquisitions result in groups of companies under one holding company; the holding company may license a producer for all companies in the group. Producers may react to the hardening market (higher rates, strict underwriting rules) by obtaining appointments with several companies in order to better serve their clients.

NOTE: See the General Performance Information table that follows for more information on this activity.

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GENERAL PERFORMANCE INFORMATION: PRODUCER LICENSING DIVISION, OFFICE OF LICENSING AND COMPLIANCE						
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES				
		PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
935	Number of producer license examinations administered ¹	6,036	6,288	6,371	6,732	6,566
933	Total number of licensed producers ¹	51,696	61,613	62,928	55,193	57,892
936	Number of producer license inquiries received ^{1, 2}	118,252	76,217	16,945	10,854	86,685
6,418	Number of continuing education courses reviewed	850	769	11,763	1,057	975
New	Number of continuing education courses approved	829	736	1,015	961	954
New	Number of continuing education courses not approved	21	26	148	96	17

¹ Where the term "agent" appeared previously the word "producer" now appears. A statutory change resulted in all agents, brokers, and solicitors now being referred to as "producers."

² As part of the licensing function, the Producer Licensing Division handles telephone calls and in-house visits by prospective license applicants and renewal applicants seeking assistance and information.

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2. (KEY) Through the Company Licensing Division of the Office of Licensing and Compliance, to review company applications and filings within an average of 90days.

Strategic Link: This operational objective is related to strategic objective(s): I.4.1 Develop instructions for insurers to follow in preparing applications and filings for submission to the department and return to insurers those filings that do not comply with the instructions.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: A Certificate of Authority is evidence of approval to operate in the state. A certificate of authority is issued to a domestic, foreign or alien insurer that has filed a complete application with the department and, after a thorough review of the applicant's information, the department has approved the company to operate in the state.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
11942	K	Percentage of company filings and applications processed during the fiscal year in which they are received ¹	85%	87%	85%	85%	85%	85%
6420	K	Average number of days to review company filings and applications	120	36 ²	120 ²	120 ²	90 ²	90 ²

¹ Applications and filings received in the last 90 days of the fiscal year are carried over into the next fiscal year.

² The significant improvement in processing time (36 days, down from 137 days in FY 2000-2001) is attributed to better computer tracking system, a larger percentage of applications and filings received being of a type that are more quickly processed, and better-trained staff. DOI believes that it can maintain a processing time of less than 120 days, but does not expect the results of FY 2001-2002 to be typical. Although the FY 2002-2003 performance standard is 120 days, the department indicated in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend figure to be 90 days. The requested continuation level value reflects what DOI believes it can realistically achieve in turn-around time for company applications and filings.

See the General Performance Information tables that follows for more information on company licensing and licensed and approved companies doing business in Louisiana.

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GENERAL PERFORMANCE INFORMATION: LICENSED AND APPROVED INSURANCE COMPANIES IN LOUISIANA						
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES				
		PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
912	Number of licensed domestic insurers ¹	200	200	178	172	162 ⁴
913	Number of licensed foreign/alien insurance companies ²	1,705	1,717	1,919	1,713	1,768 ⁴
914	Number of surplus lines companies approved and monitored ³	156	155	109	142	142
911	Total number of companies licensed and approved	2,061	2,072	2,206	2,027	2,079 ⁴

¹ A domestic insurance company is an insurance company, formed under the laws of the State of Louisiana, that has filed an application with the Louisiana Department of Insurance and been approved by the department to transact business.

² A foreign insurance company is an insurance company formed under the laws of the District of Columbia or any state of the United States except the state of Louisiana, that has filed for and received a Certificate of Authority from the Louisiana Department of Insurance to transact business in the state. An alien insurance company is an insurance company formed under the laws of any country other than the United States that has filed for and received a Certificate of Authority through the DOI. Foreign and alien insurers must comply with the provisions of the Louisiana Insurance Code in order to transact business in the state.

³ A surplus lines insurance company is an approved, unauthorized insurer that has met certain qualifications under the provisions of the Louisiana Insurance Code, including filing an application and receiving approval to operate as an approved, unauthorized insurer. Surplus lines companies approved to operate in the state are placed on a list maintained by DOI.

⁴ After yearend results for FY 2001-2002 were finalized, the DOI discovered that, while the total of 2,079 of companies licensed and approved is correct, certain non-risk-bearing entities had been left out of the count for domestic licensed and foreign & alien licensed insurers. The department's system does not archive summaries, so the department had to perform a manual count to add those entities back into the count. The sum of the counts shown do not equal the total shown.

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GENERAL PERFORMANCE INFORMATION: COMPANY LICENSING DIVISION, OFFICE OF LICENSING AND COMPLIANCE					
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES			
		PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
10203	Number of company licensing applications and filings pending at the beginning of fiscal year ^{1, 2}	70	320	94	181
940	Number of company licensing applications and filings received ^{1, 2}	63	79	167	625
941	Number of company licensing applications and filings processed ^{1, 3}	78	114	87	595
942	Number of company licensing applications and filings approved	69	6	67	565
943	Number of company licensing applications and filings disapproved	4	73	4	17
944	Number of company licensing applications and filings withdrawn	5	0	16	43

¹ This includes applications and filings from MNROs, risk purchasing groups, viatical settlement providers, dental referral plans and third party administrators as well as the traditional insurers making filings.

² Filings and applications received in the last ninety days of the fiscal year will be counted in the next fiscal year.

³ "Processed" means that applications and filing have been reviewed and either approved or disapproved; applications may also be withdrawn by the company submitting them. The number here includes items processed from any existing backlog.

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3. (KEY) Through the Consumer Affairs Division in the Office of Licensing and Compliance, to assist consumers by investigating to conclusion consumer complaints against Life and Annuity (L&A) insurers and producers.

Strategic Link: This operational objective is related to strategic objective(s): I.10.1 - Increase the depth of experience and knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: A consumer complaint is investigated to conclusion. This means that DOI will determine whether the company met its responsibilities to the consumer within the applicable laws, rules and regulations. This does not always lead to a conclusion that is satisfactory to the consumer, nor does it always lead to recovery of claim payments/premium refunds. For example, a consumer may want a company to respond for something that is not covered by the policy, or may not be satisfied with the way the company handled a claim, but the company may have acted properly within the laws, rules and regulations that apply to the situation that gave rise to the complaint. DOI recognizes the value of the information on claim payments/premium refunds recovered to the legislature and to consumers; however, the facts of each case determine the amount, if any, of such recoveries, and DOI is in a re-active rather than pro-active posture with regard to this activity.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
13958	K	Number of days to investigate to conclusion an L&A complaint	Not Applicable ¹	75 ¹	99 ²	99 ²	80	80
13959	K	Amount of claim payments and/or premium refunds recovered for complainants	Not Applicable ¹	\$2,547,695 ¹	\$850,000	\$850,000	\$1,000,000	\$1,000,000

¹ In prior years DOI maintained all records on investigation times and recoveries for P&C and Life and Annuity (L&A) complaints together. This indicator did not appear under Act 12 of 2001 and has no performance standard for FY 2001-2002. The prior-year actual value for FY 2001-2002 is an estimate.

² Although the FY 2002-2003 performance standard is 99 days, the department indicated in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend figure to be 60 days. The time necessary to complete an investigation depends upon the nature of the matter giving rise to the complaint, the volume of complaints received, and the experience and expertise of the staff. All of those elements have worked together to result in a much shorter average time to investigate complaints in the first quarter of FY 2002-2003.

Additional information related to this activity may be found in the General Performance Information table that follows.

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GENERAL PERFORMANCE INFORMATION: CONSUMER AFFAIRS DIVISION, OFFICE OF LICENSING AND COMPLIANCE			
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES	
		PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
13960	Number of L&A complaints received ¹	603	501
13961	Number of L&A complaints investigations concluded ²	613	547
13962	Number of L&A inquiries received ³	17,979	17,626

¹ Complaints received during the last ninety days of the fiscal year may be counted in the next fiscal year.

² In prior years P&C and Life and Annuity (L&A) complaints were reported together; they are now being reported separately. For that reason, data exclusive to P&C complaints are not available.

³ Inquiries include telephone calls, walk-ins, e-mail and regular mail, any inquiry short of a formal complaint

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4. (KEY) Through the Life and Annuity (L&A) Contract/ Policy Forms Review Division in the Office of Licensing and Compliance, to pre-approve or disapprove all contract/policy forms within an average of 30 days.

Strategic Link: This operational objective is related to strategic objective(s): I.11.1 - Increase the depth of experience and knowledge among personnel through increased training and mentoring of newer Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: Explanatory Note: Forms must be reviewed when a company wishes to introduce a new product and when laws, rules and regulations require changes to policy forms. Review and approval is required before a policy or product can be sold or used in the state. Delays in the review/approval of forms may result in delays in consumers having access to new products and in insurers' being able to sell/use new products in the state. Policy forms may require review/approval as a result of changes in laws, rules and regulations or as a result of new products the insurer wishes to offer for sale/use in the state. DOI may adopt a "file and use" method of approval for certain lines of coverage; if that change occurs, overall, forms review/approval times should improve.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
13988	K	Average number of days to process L&A contract/policy forms ¹	Not Applicable ¹	15 ¹	30 ¹	30 ¹	30 ¹	30
13987	K	Percentage of L&A contract/policy forms approved	Not Applicable ¹	85% ¹	60% ¹	60% ¹	60% ¹	60%

¹ FY 2002-2003 is the first year in which data for P&C and L&A (Life and Annuity) consumer complaints and policy forms are being kept and reported separately. This indicator did not appear under Act 12 of 2001 and has no performance standard for FY 2001-2002. The actual yearend value (15 days) is a dramatic improvement, but not one that the department believes can be maintained. The requested continuation level of 30 days is one that the department views as achievable.

Additional information related to this activity may be found in the General Performance Information table that follows.

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**GENERAL PERFORMANCE INFORMATION: LIFE AND ANNUITY (L&A) CONTRACT/POLICY FORMS
 REVIEW DIVISION, OFFICE OF LICENSING AND COMPLIANCE**

LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES		
		PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
13989	Number of L&A contract/policy forms pending at ¹ beginning of fiscal year	309	345	187
13990	Number of L&A contract/policy forms received ¹	7,789	6,614	7,350
13991	Number of L&A contract/policy forms processed ²	8,166	9,591	9,761
New	Number of L&A contract/policy forms approved	7,789	5,870	5,996
New	Number of L&A contract/policy forms disapproved	798	832	619
New	Number of L&A contract/policy forms withdrawn	29	71	56

¹ Forms received in the last 90 days of the fiscal year may be carried over into the next fiscal year

² Processed means that a form was reviewed and either approved or disapproved, or that it has been returned to the company for additional information, correction, or revision

³ The number of forms processed is greater than the sum of the forms pending at start of fiscal year and the forms received during the fiscal year because the department counts as "processed" each transaction during the review/approval process. A form returned to the company for additional information, correction, or other action (prior to final approval or disapproval) is added to the count as a processed form.

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5. (KEY) Through the Fraud Division in the Office of Licensing and Compliance, to reduce incidences of insurance fraud in the state.

Strategic Link: This operational objective is related to strategic objective(s): I.12.1 - Work with the producer and company licensing divisions to educate insurance and producer license applicants in proper submission of complete applications. I.12.2 - Increase the depth of knowledge and training among personnel by increased mentoring of newer examiners by more experienced examiners.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: The Fraud Division performs an initial review of all reported incidences of suspected insurance fraud, and may then do a complete investigation or log the report for possible future investigation. Reporting has improved through more public awareness and education of the insurance industry in reporting requirements. Fraud units within the Department of Insurance, Department of Justice and State Police/Department of Public Safety work cooperatively and independently, and may also work with federal investigative and law enforcement agencies.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
12276	K	Percentage of initial claim fraud complaint investigations completed within 10 working days ¹	80%	88%	85%	85%	85%	85%
12278	K	Percentage of background checks completed within 15 working days ²	80%	78%	85%	85%	85%	85%

¹ Initial investigation means that the report is investigated to determine whether a full investigation should be initiated, or if the report should be entered into the database and maintained for possible additional investigation at a later date.

² The fraud division is working with company and producer licensing divisions to educate applicants in properly completing applications so that delays in background checks can be eliminated or reduced. Most delays in completing background checks are a result of poorly completed applications.

Additional information related to this activity may be found in the General Performance Information table that follows.

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GENERAL PERFORMANCE INFORMATION: FRAUD DIVISION, OFFICE OF LICENSING AND COMPLIANCE						
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES				
		PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
12282	Number of claim fraud investigations opened ¹	678	950	495	504	837
959	Number of claim fraud investigations referred to law enforcement agencies ¹	24	265	3	16	58
12279	Number of producer/company investigations opened	39	9	379	816	538
12281	Number of producer/company investigations referred to law enforcement	5	108	12	108 ²	24
962	Number of background checks performed for company and producer licensing divisions	1,151	1,514	2,045	2,242	3,395

¹ The Department of Insurance's Fraud Division assists with investigations of claim fraud but has no enforcement authority in that area. Companies report suspected instances of claim fraud to the department. Actual enforcement and prosecution of claim fraud rests with the Louisiana State Police (in the Department of Public Safety and Corrections - Public Safety Services) and the Louisiana Department of Justice.

² The number of producer/company investigations referred to law enforcement in FY 1998-1999 and FY 2000-2001 are abnormally high as a result of a joint project involving the Department of Insurance's Fraud Division, the Federal Bureau of Investigation, and the Insurance Fraud Unit within the Louisiana State Police. That project is drawing to a close, and the department anticipates that the number of referrals for producer/company investigations will drop significantly.

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6. (SUPPORTING) Through the Legal Affairs Division of the Office of Licensing and Compliance, to represent the department in hearings, promulgate rules and regulations within 9 months, and achieve a turn-around time of 4 weeks for internal legal and policy opinions.

Strategic Link: This operational objective is related to strategic objective(s): I.17.1 - Staff attorneys increase their knowledge through attending continuing education seminars, courses, programs, etc. I.17.2 - Attorneys and staff use standardized forms and procedures for handling of routine violations of Title 22.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: The timeframes targeted in the performance indicators that appear below are set by the department's executive counsel as an internal effort directed toward quality and efficiency.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
12195	S	Percentage of hearings scheduled within six weeks of referral	80%	65%	80%	80%	80%	80%
12193	S	Percentage of hearings resulting in regulatory action.	39%	88%	65%	65%	75%	75%
12250	S	Percentage of rules and regulations promulgated within 9 months of initial request	70%	100%	70% ¹	70% ¹	85%	85%
12251	S	Percentage of internal legal and policy opinions issued within 4 weeks of request	80%	100%	80% ²	80% ²	80%	80%
12253	S	Percentage of staff attorneys completing at least 15 hours of continuing legal education during fiscal year	100%	100%	100%	100%	100%	100%

¹ Although the FY 2002-2003 performance standard is 70%, the department indicated in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend figure to be 100%.

² Although the FY 2002-2003 performance standard is 80%, the department indicated in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend figure to be 100%.

Additional information related to this activity may be found in the General Performance Information table that follows.

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GENERAL PERFORMANCE INFORMATION: DIVISION OF LEGAL SERVICES						
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES				
		PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
874	Number of hearings in which DOI must be represented	348	330 ¹	265	262	303
875	Number of cease and desist orders issued	16	17	21	16	26
880	Number of internal legal and policy opinions requested	6	16	29	28	29
878	Number of internal legal and policy opinions issued	13	9	16	16	23
879	Number of department rules and regulations promulgated	4	4	7	5	1

¹ The department's FY 1998-1999 Fourth Quarter Performance Progress Report and FY 1999-2000 Second and Fourth Quarter Performance Progress Reports reported a yearend actual of

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7. (KEY) Through the Office of Financial Solvency, to monitor the financial soundness of regulated entities by performing examinations (according to statutorily mandated schedules) and financial analysis each fiscal year.

Strategic Link: This operational objective is related to strategic objective(s): I.5+B30.1 Monitor regulated entities to detect all adverse financial and other conditions, take remedial steps as necessary, and maintain compliance with NAIC standards for financial and market conduct examinations.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: The examination and analysis program has resulted in earlier detection of troubled companies. There are two separate components of the program, each complementing the other. Annual analysis is the review of the required filings, ongoing operations and findings from prior examinations. "Examination is the onsite/field examination of the companies financial status. Each company has a score developed from weighted criteria that will determine its position on the examination schedule. Companies may be examined earlier, based on these scores. The department is currently examining companies more frequently than the statutorily mandated at least once every five years. Market conduct examinations may occur as a result of complaints or problems detected in other states and may be performed in conjunction with a financial examination or independent of any financial examination. Findings from the financial examination are considered in the annual analysis, findings from the analysis feed into the scheduling of financial examinations are used in preparing for the examinations.

Explanatory Note: A change in the law now allows domestic companies to maintain their financial records outside of the state; this could result in slower examination schedule and in higher costs when examiners must perform their work out of state.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
6411	K	Number of market conduct examinations performed	23	30	23	30	30	30
11937	K	Percentage of market conduct examinations performed as a result of complaints	25%	28%	33% ¹	33% ¹	27%	27%
11938	K	Percentage of domestic companies examined - financial	25%	17%	18% ²	18% ²	18% ²	18%
11939	K	Percentage of domestic companies analyzed - financial	100%	99%	100%	100%	100%	100%
11940	K	Percentage of companies other than domestic companies analyzed	20%	28%	20% ³	20% ³	20%	20%
13869	S	Number of zone examinations in which participating states file dissenting (minority) reports ⁴	Not Applicable ⁵	0	0	0	0	0

- ¹ Although the FY 2002-2003 performance standard is 33%, the department indicated in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend figure to be 25%.
- ³ Companies are examined at least once every five years; however, approximately two percent per year, or 10% overall, of domestic companies do not require examination on that schedule, rather than at 20%.
- ³ Although the FY 2002-2003 performance standard is 20%, the department indicated in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend figure to be 17%.
- ⁴ A zone examination is a financial examination in which examiners from other states in which the company operates may participate. Zone exams are fairly rare when the exam and analysis program is working well, which it has for several years now.
- ⁵ This was a new performance indicator for FY 2002-2004. It did not appear under Act 12 and has no performance standard for FY 2001-2002.

For more information on this activity, see the General Performance Information table that follows.

DEPARTMENT ID: 04H - Department of Insurance

AGENCY ID: 04-165 Commissioner of Insurance

PROGRAM ID: Program B: Market Compliance

GENERAL PERFORMANCE INFORMATION: FINANCIAL SOLVENCY - EXAMINATIONS AND ADMINISTRATIVE SUPERVISION						
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES				
		PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
6410	Number of companies examined - financial ¹	31	51	39	37	31
6411	Number of companies examined - market conduct ¹ examination	Not Available	32	33	29	30
612	Number of companies analyzed ¹	529	793	413	542	585
13768	Number of companies in administrative supervision at start of fiscal year ¹	8	4	5	5	7
921	Number of companies placed in administrative supervision during fiscal year ¹	2	2	0	3	6
922	Number of companies restored to good health/removed from supervision during fiscal year ¹	2	4	0	4	5
923	Average number of months a company remains in administrative supervision ¹	28.9	30.0	23.7	24.2	22

¹ The term "companies" refers to traditional insurance companies, Health Maintenance Organizations (HMOs), self-insurance funds, third-party administrators, etc.

DEPARTMENT ID: 04H - Department of Insurance
 AGENCY ID: 04-165 Commissioner of Insurance
 PROGRAM ID: Program B: Market Compliance

8. (KEY) Through the Insurance Premium Tax and Surplus Lines Tax Division of the Office of Financial Solvency, to initiate collection procedures on all insurance premium taxes and related penalties owed the state for that fiscal year.

Strategic Link: This operational objective is related to strategic objective(s): I.6.1 - Continue to perform field audits of selected surplus lines brokers and desk examinations of all insurer premium tax returns.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: All tax returns filed are audited annually, resulting in additional taxes and/or penalties, or in credits toward the insurer's or broker's next year's tax due, depending upon whether the insurer has underpaid or overpaid the tax due, or in rare instances, in a refund being issued to the insurer.

Explanatory Note: A surplus lines broker is a person who solicits, negotiates or procures a policy of insurance with an approved, unauthorized insurer, known as a surplus lines company, when insurance cannot be obtained from insurers licensed to do business in the state. As of 6/30/02 there are 142 surplus lines companies approved and unauthorized in the state.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
889	K	Additional taxes and penalties assessed as a result of audit (in \$ millions)	\$1.00 ¹	\$2.16 ¹	\$1.30 ¹	\$1.30 ¹	\$1.50 ¹	\$1.50 ¹
6396	K	Percentage of surplus lines brokers examined	20%	24.45%	20%	20%	20%	20%
900	S	Number of field examinations of surplus lines brokers examined	40	56	40	40	40	40
901	S	Number of desk examinations performed for tax purposes ²	1,750 ²	1,734 ²	1,725 ²	1,725 ²	1,725 ²	1,725

¹ The performance standard for FY 2001-2002 proved to be low because premiums increased more than anticipated based on prior-year actual figures. The insurance market is hardening, resulting in higher premiums. There were also more errors on insurer tax returns, which resulted in more penalties and taxes due than DOI would have estimated. DOI anticipates that the additional tax and penalties assessed as a result of audit will be near \$1.5 million for FY 2003-2004.

² All tax returns filed undergo desk audit. The number of desk audits varies from year to year due to variations in the number of returns filed.

DEPARTMENT ID: 04H - Department of Insurance
 AGENCY ID: 04-165 Commissioner of Insurance
 PROGRAM ID: Program B: Market Compliance

9. (KEY) Through the Consumer Affairs Division of the Office of Property and Casualty (P&C) Insurance, to conclude investigations of P&C related complaints within an average of 90 days.

Strategic Link: This operational objective is related to strategic objective(s): I.1.7 - Increase the depth of experience and knowledge among personnel through increased training and monitoring of newer examiners by more experienced examiners.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: A consumer complaint is investigated to conclusion - meaning that DOI will determine whether the company met its responsibilities to the consumer within the applicable laws, rules and regulations; this does not always lead to a conclusion that is satisfactory to the consumer, nor does it always lead to recover of claim payments or refunds of premiums. For example, a consumer may want a company to respond for something that is not covered by the policy, or may not be satisfied with the way the company handled a claim, but the company may have acted properly within the laws, rules and regulations that apply to the situation that gave rise to the complaint. DOI has maintained the indicator relative to the amount of claim payments and/or premium refunds recovered on behalf of complainants because it realizes the value of this information to the legislature and the public; however the facts of each complaint determine the size of any recovery, and DOI is in a re-active rather than a pro-active posture relative to recoveries resulting from this activity.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
10204	K	Number of days to conclude a P&C complaint investigation	Not Applicable ¹	114 ¹	90	90	90	90
954	K	Amount of claim payments and/or premium refunds recovered for P&C complainants	Not Applicable ¹	\$2,547,695 ¹	\$2,700,000 ²	\$2,700,000 ²	\$2,500,000	\$2,500,000

¹ This performance indicator did not appear under Act 12 of 2001 and has no performance standard for FY 2001-2002. In prior years DOI maintained all records on investigation times and recoveries for P&C and Life and Annuity (L&A) complaints together. The figure shown for prior year actual is an estimate of the value for P&C complaints only.

² Although the FY 2002-2003 performance standard is \$2,700,000, the department indicated in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend figure to be \$775,000.

For more information on this activity, see the General Performance Information table that follows.

DEPARTMENT ID: 04H - Department of Insurance

AGENCY ID: 04-165 Commissioner of Insurance

PROGRAM ID: Program B: Market Compliance

GENERAL PERFORMANCE INFORMATION: CONSUMER AFFAIRS DIVISION, PROPERTY AND CASUALTY (P&C) COMPLAINTS				
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES		
		PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
14211	Number of P&C complaints received ¹	2,278	2,388	2,501
14212	Number of P&C complaints investigations concluded ¹	Not Available ²	2,926	2,891
952	Number of P&C inquiries received ³	Not Available ²	1,843	3,621

¹ Complaints received during the last ninety days of the fiscal year may be counted in the next fiscal year.

² In prior years P&C and Life and Annuity (L&A) complaints were reported together; they are now being reported separately. For that reason, data exclusive to P&C complaints are not available.

³ Inquiries include telephone calls, walk-ins, e-mail and regular mail , any inquiry short of a formal complaint

DEPARTMENT ID: 04H - Department of Insurance
 AGENCY ID: 04-165 Commissioner of Insurance
 PROGRAM ID: Program B: Market Compliance

10. (KEY) Through the Forms Review Division of the Office of Property and Casualty (P&C) Insurance, to pre-approve or disapprove all contract forms for use by consumers.

Strategic Link: This operational objective is related to strategic objective(s): I.8.1 - Increase the depth of experience and knowledge among personnel through increased training and mentoring of newer examiners by more experienced examiners.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: Forms must be reviewed when a company wishes to introduce a new product and when laws, rules and regulations require changes to policy forms. Review and approval is required before a policy or product can be sold or used in the state. Delays in review/approval of forms can impact access of Louisiana consumers to new products and can delay the sale/use of forms changed as a result of changes in laws, rules or regulations. The department has gone from a per-page method of charging for review/approval of forms to a per filing method. One filing may be one page or many pages. DOI is also working to provide better instructions to companies for use when preparing their form filing submissions so that the submissions are more likely to contain the required elements in the appropriate format.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
13939	K	Average number of days to process P&C contract/policy forms ¹	Not Applicable ¹	20 ¹	105 ¹	105 ¹	45 ¹	45 ¹
13940	K	Percentage of P&C contract/policy forms approved	Not Applicable ¹	26% ¹	35% ¹	35% ¹	35% ¹	35% ¹

¹ FY 2002-2003 is the first year in which data for P&C and L&A (Life and Annuity) consumer complaints and policy forms are being kept and reported separately. This performance indicator did not appear under Act 12 of 2001 and has no performance standard for FY 2001-2002. The FY 2001-2002 actual value is an estimate of values for P&C forms only. Although the FY 2002-2003 performance standard is 105 days, the department indicates in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend figure will be 20 days. The DOI does not believe it can permanently maintain the 20-day level for forms approval, but believes that it can do better than the current standard.

For more information on this activity, see the General Performance Information table that follows.

DEPARTMENT ID: 04H - Department of Insurance

AGENCY ID: 04-165 Commissioner of Insurance

PROGRAM ID: Program B: Market Compliance

GENERAL PERFORMANCE INFORMATION: POLICY FORMS REVIEW DIVISION, PROPERTY AND CASUALTY CONTRACT/POLICY FORMS				
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES		
		PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
13941	Number of P&C contract/policy forms pending at beginning of fiscal year ¹	35,908	2,806	3,425
13942	Number of P&C contract /policy forms received ¹	20,304	31,742	28,833
13943	Number of contract/policy forms processed ¹	20,056	33,157	30,544
13940	Percentage of contract/policy forms approved ²	Not Available ³	67%	74%
New	Percentage of contract/policy forms disapproved ²	Not Available ³	33%	26%

¹ Forms received in the last ninety days of the fiscal year may be carried over into the next fiscal year

² A processed form is a form that has been approved, disapproved, or on which some transaction has taken place, such as returning form to company for additional information, corrections, etc. Each return of the form to the company counts as a processing.

³ In prior years the figures for P&C and L&A forms were counted as one figure; the re-organization of certain functions in the department has resulted in the two types of forms being counted separately. The department is unable to disaggregate the P&C data from the combined P&C and L&A information collected and reported in prior fiscal years.

DEPARTMENT ID: 04H - Department of Insurance
 AGENCY ID: 04-165 Commissioner of Insurance
 PROGRAM ID: Program B: Market Compliance

11. (SUPPORTING) Through the Rate and Rule Review/Approval Division of the Office of Property and Casualty Insurance, to provide preparatory and support work/services to the appointed LIRC (Louisiana Insurance Rating Commission) for rate and rule change submissions that require action by the LIRC.

Strategic Link: This operational objective is related to strategic objective(s): I.9.1 - Design, create and train personnel in the use of automated processes for rate/rule review/approval. I.9.2 - Develop and distribute instructions for industry to follow in preparing rate/rule filings for submission. I.9.3 - Develop and implement automated reporting system on tracking of filings/submissions from receipt at OPAC through final action by LIRC.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: The Office of Property and Casualty Insurance (OPAC) was formerly the Office of the Insurance Rating Commission. OPAC Rate and Rule Review division provides support services to the seven-member LIRC, which includes the elected commissioner of insurance and six members appointed by the governor. These support services include preparatory work on rate and rule filings, including actuarial review and preparation of recommendations for the commission. DOI indicates that the indicators below reflect the work actually performed by OPAC's Rate and Rule division staff and are a good measure of the efficiency. Data provided in the GPI chart related to the LIRC is more reflective of actions taken by the LIRC itself than of the work done by OPAC staff.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
13945	S	Average number of days from receipt of filing/submission by OPAC to placement on rating commission agenda	Not Applicable ¹	Not Applicable ¹	24 ¹	24 ¹	24 ¹	24 ¹
13949	S	Average number of days from receipt of filing/submission by actuary from OPAC support staff to actuary's recommendation	Not Applicable ¹	Not Applicable ¹	35 ¹	35 ¹	32 ¹	32 ¹

¹ This was a new performance indicator for FY 2002-2003. It did not appear under Act 12 of 2001 and has no performance standard for FY 2001-2002. Data were not collected for these indicators in FY 2001-2002.

Additional information related to this activity may be found in the General Performance Information table that follows.

DEPARTMENT ID: 04H - Department of Insurance
 AGENCY ID: 04-165 Commissioner of Insurance
 PROGRAM ID: Program B: Market Compliance

GENERAL PERFORMANCE INFORMATION: LOUISIANA INSURANCE RATING COMMISSION (LIRC) AND RATE AND RULE REVIEW/APPROVAL DIVISION OF THE OFFICE OF PROPERTY AND CASUALTY INSURANCE ¹						
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES				
		PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
974	Total written premiums (property, casualty, surety and inland marine) subject to regulation by the LIRC (in \$ billions)	\$4.574	\$4.590	\$4.529	\$4.676	\$4.641
971	Number of submissions reviewed by actuary	Not Available	572	427	451	414
967	Number of rate/rule change submissions acted upon by the LIRC	1,438	632	427	451	414
968	Number of rate/rule change submissions approved	470	456	295	283	283
969	Number of rate/rule change submissions approved at lesser amount than requested	13	14	16	Not Provided	138
970	Number of rate/rule change requests not approved ²	87	116	128	131	119
972	Average percentage change in rates approved by the LIRC	-2.64%	2.62%	-1.09%	2.07%	6.53%
973	Total written premiums (property, casualty, surety and inland marine) subject to regulation by the LIRC (in \$ billions)	\$4.574	\$4.590	\$4.529	\$4.676	\$4.641
973	Market impact of rate change submissions approved	-2.22%	2.62%	-0.66%	1.79%	4.68%
13,957	Number rate/rule submissions received	2,327	2,556	1,926	1,946	1,858

¹ Indicators reported here are, with the exception of "Number of submissions reviewed by actuary," a reflection of the actions of the seven-member Louisiana Insurance Rating Commission, which includes the elected commissioner of insurance and six members appointed by the governor. Staff of what is now the Office of Property & Casualty Insurance, Rate and Rule Review Division, perform preparatory and support work for LIRC.

² This indicator was formerly reported as "Number of rate/rule change requests rejected." The indicator name has been changed by the department; no changes have been made in what the indicator measures or how that measurement is made.

DEPARTMENT ID: 04H - Department of Insurance

AGENCY ID: 04-165 Commissioner of Insurance

PROGRAM ID: Program B: Market Compliance

AUTOMOBILE INSURANCE COSTS AND FACTORS AFFECTING THEM LOUISIANA COMPARED TO NATIONWIDE		
LOUISIANA RANKING	ITEM	COST
6th	Combined Average Premium	\$962.07 ¹
10th	Liability Average Premium	\$520.94 ²
6th	Collision Average Premium	\$284.44 ³
14th	Comprehensive Average Premium	\$156.69 ⁴
9th	Average Repair Cost Per Claim	\$1,979.41
11th	Vehicle Thefts Per 1000 Vehicles	6.82 ⁵
14th	Hospital Inpatient Days	\$3,361,008.00
7th	Number of Outpatient Visits	\$10,207,145.00
18th	Hospital Expenses	\$5,814,898,610.00

¹ Combined premium would be the combination of liability, collision and comprehensive premiums² Liability coverages pay for damage or injury you cause to someone else³ Collision coverage pays for damage to your vehicle as a result of a collision⁴ Comprehensive coverage pays for damage to your vehicle from causes other than collision, pays for broken glass, damage by animals, vandalism, etc.⁵ This is not a cost item, but the number of vehicle thefts per 1000 vehicles.

Source: All data in this chart is taken from the National Association of Insurance Commissioners' Auto Insurance Data base, 1998. These are the most current figures available from NAIC as of October 22, 2002.

DEPARTMENT ID: 04H - Department of Insurance
 AGENCY ID: 04-165 Commissioner of Insurance
 PROGRAM ID: Program B: Market Compliance

12. (KEY) Through the Office of Health, Quality Management Division, to investigate to conclusion consumer health-insurance related complaints.

Strategic Link: This operational objective is related to strategic objective(s): I.13.1 - Increase the depth of experience and training among personnel through increased training and mentoring of newer examiners by more experienced examiners.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: A consumer complaint is investigated to conclusion - meaning that DOI will determine whether the company met its responsibilities to the consumer within the applicable laws, rules and regulations; this does not always lead to a conclusion that is satisfactory to the consumer, nor does it always lead to recovery of claim payments/premium refunds. For example, a consumer may want a company to respond for something that is not covered by the policy, or may not be satisfied with the way the company handled a claim, but the company may have acted properly within the laws, rules and regulations that apply to the situation that gave rise to the complaint. DOI recognizes the value of the information on claim payments/premium refunds recovered to the legislature and to consumers; however, the facts of each case determine the amount, if any, of such recoveries, and DOI is in a re-active rather than pro-active posture with regard to this activity.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
987	K	Average number of days to investigate to conclusion a consumer health complaint ^{1,2}	90	73 ³	90	90	75	75
989	K	Amount of claim payments/premium refunds recovered for health coverage complainants ^{1,2}	\$1,500,000	\$2,999,766 ⁴	\$2,000,000 ⁴	\$2,000,000 ⁴	\$2,000,000	\$2,000,000

¹ Any complaint received in the last 90 days of the fiscal year may be carried over into the next fiscal year.

² Health complaints are handled by three (3) separate divisions of the Office of Health: Quality Management (QM) handles complaints involving major medical and excess/stop-loss insurance and compliance with state and federal HIPAA laws; Supplement Health Plans (SHP) handles complaints involving limited benefit health insurance plans and federal Medicare programs; Quality Assurance (QA) handles complaints involving compliance with state and federal laws governing medical necessity, appeals and prompt payment of major medical insurance claims. The figure(s) shown include all types of health-insurance related complaints; DOI will provide a breakdown by type of complaint in a footnote in future fiscal years.

³ Training of new examiners has progressed better than expected, allowing for more independence and less need for investigations to be held up pending supervisory review. Consequently, cases are being closed in a more timely fashion.

⁴ The department believes that enforcement of new laws governing prompt payment of claims has contributed to the increase in projected amount of claim payments recovered. At the FY 2002-2003 performance standard is \$2,000,000, the department indicated in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend figure to be \$3,000,000.

Additional information related to this activity may be found in the General Performance Information table that follows.

DEPARTMENT ID: 04H - Department of Insurance

AGENCY ID: 04-165 Commissioner of Insurance

PROGRAM ID: Program B: Market Compliance

GENERAL PERFORMANCE INFORMATION: HEALTH INSURANCE-RELATED COMPLAINTS					
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES			
		PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
6424	Number of health complaints received ¹	2,013	2,268	2,066	1,962
6425	Number of health complaint investigations concluded	2,013	2,951	2,138	2,112
933	Number of health insurance related inquiries received ²	12,139	26,757	30,458	33,811

¹ Complaints received during the last 90 days of the fiscal year may be counted in the next fiscal year.

² Inquiries include telephone calls, walk-ins, e-mail and regular mail-any inquiry short of a formal complaint.

Explanatory Note: Health complaints are investigated by three (3) separate divisions in the Office of Health: Quality Management (QM) handles complaints involving major medical and excess/stop-loss insurance and compliance with state and federal HIPAA laws; Supplement Health Plans (SHP) handles complaints involving limited benefit health insurance plans and federal Medicare programs; Quality Assurance (QA) handles complaints involving compliance with state and federal laws governing medical necessity, appeals and prompt payment of major medical insurance claims. Actual results for all health-insurance related complaints will be reported together, and a footnote will provide the breakdown among the types of claims, beginning with yearend results reported for fiscal 2002/03.

DEPARTMENT ID: 04H - Department of Insurance
 AGENCY ID: 04-165 Commissioner of Insurance
 PROGRAM ID: Program B: Market Compliance

13. (KEY) Through the Office of Health, Quality Management Division, to review health-coverage related policy/contract forms, advertising and rates, and approve or disapprove them per applicable laws, rules and regulations.

Strategic Link: This operational objective is related to strategic objective(s): I.13.1 - Increase the depth of experience and knowledge among personnel through increased training and mentoring of newer examiners by more experienced examiners.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: The department is in the process of promulgating a regulation that will allow an insurer to file forms for designated product lines and certify compliance with applicable laws, rules and regulations, allowing for approval of complete filings within 15 days of receipt. The new regulation will include procedures for expediting review of resubmissions of previously disapproved forms and revision of previously approved forms. Staff are also creating a matrix containing all requirements of law applicable to each type of insurance product. The matrix will be available via the internet for industry use in drafting new policy forms and maintaining compliance of existing product lines. the new procedures and tools should be in place by 01/01/03, and we expect to see an increase in the number of filings approved and a decrease in the days to review/process filings.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
12990	K	Average number of days to process health contract/policy forms, advertising and rates ^{1,2}	60	47	45 ³	45 ³	30 ³	30 ³
985	K	Percentage of health contract/policy forms, advertising and rates approved ^{1,2}	35%	50%	50% ⁴	50% ⁴	65% ⁴	65% ⁴

¹ Forms received in the last ninety days of the fiscal year may be carried over into the next year.

² Policy forms are processed by two separate divisions of the Office of Health. Quality Management (QM) processes policy form filings involving major medical and excess/stop-loss insurance product lines. Supplement Health Products (SHP) processes limited benefit product lines including advertising and rate filings for Medicare supplement insurance.

³ New procedures do not allow insurers an opportunity to revise forms and resubmit corrections. Filings are closed immediately upon notice of non-compliance and resubmissions are treated as new filings. Although the FY 2002-2003 performance standard is 45 days, the department indicated in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend figure will be 30 days. Continuation level assumes that the regulation summarized in the Explanatory Note (above) will be finalized and in place as of January 1, 2003.

⁴ Although the FY 2002-2003 performance standard is 50%, the department indicated in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend figure to be 65%. Performance may fluctuate, depending upon the number of first, second, or third-time filings received. Most first and second-time filings are disapproved upon the fifth finding of non-compliance. By the third filing, a complete review is accomplished and approval achieved. On January 1, 2003, the department will offer a web-based matrix of all legal requirements for each product type; this should allow insurers to draft more compliant policy form filings for first-time review.

Additional information related to this activity may be found in the General Performance Information table that follows.

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DEPARTMENT ID: 04H - Department of Insurance
 AGENCY ID: 04-165 Commissioner of Insurance
 PROGRAM ID: Program B: Market Compliance

GENERAL PERFORMANCE INFORMATION: CONTRACT/POLICY FORMS REVIEW SECTION, QUALITY ASSURANCE DIVISION, OFFICE OF HEALTH				
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES		
		PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
10211	Number of health contract policy forms, advertising and rates pending at beginning of fiscal year ¹	Not Available	2,625	1,788
986	Number of health insurance contract/policy forms, ¹ advertising and rates received	5,881	5,326	7,181
10212	Number of health insurance contract/policy forms, ² advertising and rates processed	6,367	9,380	9,620
New	Number of health insurance contract/policy forms, ³ advertising and rates approved	Not Available	4,124	4,375
New	Number of health insurance contract/policy forms, advertising and rates disapproved	Not Available	4,991	5,078
New	Number of health insurance contract/.policy forms, advertising and rates withdrawn	Not Available	269	167

¹ Items received in the last 60 days of the fiscal year may be carried over into the next fiscal year

² The number of forms processed is higher than the sum of the number pending at start of fiscal year and the number received because of the way "processed" forms are counted; if a form is sent back to the company for additional information or a change, that transaction is counted as a "processing".

³ Only the Office of Health reviews and approves rates in the section reviewing contract/policy forms and advertising. The Louisiana Insurance Rating Commission handles rate review and approval on Property & Casualty items. There is no rate review for Life and Annuity items.

Forms review is handled by two separate divisions within the Office of Health. Quality Management (QM) handles forms involving major medical and excess/stop-loss insurance product lines. Supplement Health Products (SHP) handles limited benefit product lines including advertising and rate filings for Medicare supplement insurance.

DEPARTMENT ID: 04-165 LOUISIANA DEPARTMENT OF INSURANCE
 AGENCY ID: COMMISSIONER OF INSURANCE
 PROGRAM ID: PROGRAM B - MARKET COMPLIANCE

GENERAL PERFORMANCE INFORMATION: PERSONS NOT COVERED BY HEALTH INSURANCE IN LOUISIANA IN 2000			
2000 LOUISIANA POPULATION - 4,469,790			
	LOUISIANA	NATIONAL	LOUISIANA'S RANK AMONG STATES
INSURANCE COVERAGE			
Number of persons not covered by health insurance	810,000	3,683,000	13
Percentage of population not covered by health insurance	19.1%	14.0%	5
Change in number of persons uninsured: 1996 to 2000	-80,000	-3,033,000	30
Percentage change in number of uninsured: 1996 to 2000	-9.0%	-7.3%	27
Change in percentage of population uninsured: 1996 to 2000	-8.6%	-10.3%	24
Number of persons covered by health insurance	3,423,000	237,857,000	25
Percentage of children not covered by health insurance	15.7%	11.6%	7
Percentage of population covered by health insurance	80.9%	86.0%	46
Percentage of population covered by Private Health Insurance	62.7%	72.4%	47
Percentage of population covered by employment-based private health insurance	54.8%	64.1%	47
Percentage of population covered by government health insurance	30.9%	26.7%	10
Percentage of population covered by military health insurance	4.4%	3.0%	18
Number of Medicare enrollees	597,485	39,140,386	24
Percentage of population enrolled in Medicare	13.4%	13.6%	32
Medicaid enrollment	724,135	34,472,373	15
Percentage of population enrolled in Medicaid	16.2%	11.9%	5
Percentage of children covered by Medicaid	28.3%	20.3%	6
Percentage of Medicaid enrollees in managed care	7.2%	56.7%	46

Source: Morgan Quitno Press using data from U.S. Bureau of the Census

DEPARTMENT ID: 04H - Department of Insurance
 AGENCY ID: 04-165 Commissioner of Insurance
 PROGRAM ID: Program B: Market Compliance

14. (KEY) Through the Office of Health, Quality Assurance Division, Medical Necessity Review Organization (MNRO) Section, to review licensing applications and filings (new and renewal) and perform statutory examinations of MNROs.

Strategic Link: This operational objective is related to strategic objective(s): I.15.1 - Increase the depth of experience and knowledge among personnel through increased training and mentoring of newer examiners by more experienced examiners.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: A MNRO is a Medical Necessity Review Organization; this is any entity that determines what medical services or procedures will be covered under a health benefit plan based on medical necessity. Minimum standards for these organizations were established by the 1999 Regular Session of the Louisiana Legislature (Chapter 7 of Title 22, LRS) and requiring examination of these entities no less frequently than once every three years. The examination cycle will begin in FY 2003-2004; however, if complaints indicate that there may be a problem with an MNRO, an examination could be done earlier. MNROs were first licensed beginning in January 2001. MNRO-related complaints will be handled by the MNRO section, but will be reported with all other health-related complaints and footnoted to show the number of complaints related to MNRO vs other health-related complaints. There are approximately 90 MNROs licensed or awaiting licensure as of 6/30/02. DOI had previously estimated that there would be about 150 MNROs licensed in the state.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
14038	S	Number of MNROs to be examined per statutory schedule (desk examination)	Not Applicable ¹	0 ¹	0	0	15	15
14044	K	Number of MNROs examined	Not Applicable ¹	0 ¹	0	0	15	15

¹ This was a new indicator for FY 2002-2003. It did not appear under Act 12 of 2001 and has no performance standard for FY 2001-2002.

Additional information related to this activity may be found in the General Performance Information table that follows.

DEPARTMENT ID: 04H - Department of Insurance

AGENCY ID: 04-165 Commissioner of Insurance

PROGRAM ID: Program B: Market Compliance

GENERAL PERFORMANCE INFORMATION: CONTRACT/POLICY FORMS REVIEW SECTION, MEDICAL NECESSITY REVIEW ORGANIZATION (MNRO) SECTION, OFFICE OF HEALTH			
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES	
		PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
12134	Number of MNRO filings and applications - new and renewal - received ¹	103	100
12147	Number of MNRO filings and applications - new and renewal - processed ^{1,2}	80	128

¹ Items received in the last sixty days of the fiscal year may be carried over to the next fiscal year² "Processed" applications may be approved, disapproved, or withdrawn.

DEPARTMENT ID: 04-165 LOUISIANA DEPARTMENT OF INSURANCE

AGENCY ID: COMMISSIONER OF INSURANCE

PROGRAM ID: PROGRAM B - MARKET COMPLIANCE

GENERAL PERFORMANCE INFORMATION: ENROLLMENT IN HEALTH MAINTENANCE ORGANIZATIONS (HMOs), as of January 1, 2001			
	LOUISIANA	NATIONAL	LOUISIANA'S RANK AMONG STATES
Number of enrollees in Health Maintenance Organizations (HMOs)	695,583	78,445,862	27
Percentage of population enrolled in HMOs	15.6%	27..5%	32
Percentage of insured population enrolled in HMOs	20.3%	33.4%	29

Source: Morgan Quitno Press using data from InterStudy Publications (Minneapolis, MN)

DEPARTMENT ID: 04H - Department of Insurance
 AGENCY ID: 04-165 Commissioner of Insurance
 PROGRAM ID: Program B: Market Compliance

15. (KEY) Through the Senior Health Insurance Information Program (SHIIP) in the Office of Health to provide services and information about insurance and related subjects (Medicare, for example) to senior citizens throughout the state.

Strategic Link: This operational objective is related to strategic objective(s): I.16.1 - Increase public awareness of the program by presentations at various fairs, meetings, etc. and through home-site visits.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: SHIIP is 75% funded by a federal grant.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
995	K	Estimated savings to counseled senior health clients ¹	\$1,000,000	\$1,354,100	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
12125	K	Number of seniors receiving services (telephone, home-site, at fairs, group presentations, etc.) ²	8,500 ¹	4,867 ²	18,000 ²	18,000 ²	5,000 ²	5,000 ²

¹ SHIIP estimates savings to seniors by using a formula developed by the Federal Health Care Financing Administration (HCFA) and the Insurance Counseling and Assistance National Performance Reporting Subcommittee. The formula is used in reporting to HCFA. Savings may result when Medicare Supplement claim filing assistance results in the 20% that Medicare does not pay being counted, or when an examination of the senior's finances indicates that he/she might be eligible for program that allows Medicaid to pay the Medicare deductible, co-insurance and premiums, or when seniors elect a Medicare HMO as opposed to Medicare supplement coverage which had cost of \$100 per month, resulting in savings of \$1200 per year. Savings, if any, depend on the situation of the senior being assisted.

² Several years ago when Medicare HMOs were a new thing in the state, we were receiving many more inquiries via phone and attendance was higher at presentations, etc. as seniors sought information about how the Medicare HMOs worked and what their savings could be. Year before last when the HMOs stopped writing Medicare HMO coverage or were going out of business, numbers were again up as seniors were naturally anxious about their coverage and benefits. In fiscal 2001/02, the numbers went down. There were no major new products on the market for seniors and there were only a few Medicare HMO terminations in the state. We do not expect to achieve the standard for 2002/03 for this indicator and will handle that with targets and explanations through the year. The standard we are requesting for 2003/04 reflects what we believe we can realistically achieve.

Additional information related to this activity may be found in the General Performance Information table that follows.

DEPARTMENT ID: 04H - Department of Insurance

AGENCY ID: 04-165 Commissioner of Insurance

PROGRAM ID: Program B: Market Compliance

GENERAL PERFORMANCE INFORMATION: SENIOR HEALTH INSURANCE INFORMATION PROGRAM (SHIIP)					
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES			
		PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
999	Number of group presentations provided	45	134	125	136
996	Number in attendance at group presentations	2,153	7,561	7,396	4,867
997	Number of senior health volunteer counselor training sessions conducted	5	11	9	14
1000	Number of senior health publications distributed	35,432	45,880	71,351	63,762

DEPARTMENT ID: 04H - Department of Insurance
 AGENCY ID: 04-165 Commissioner of Insurance
 PROGRAM ID: Program B: Market Compliance

16. (KEY) Through the Office of Receiverships, to bring to court-approved closure all estates of companies in receivership at the beginning of FY 2001 by the end of FY 2008, and to bring to court-approved closure within five years of their being placed in receivership all companies newly placed in receivership after July 1, 2001.

Strategic Link: This operational objective is related to strategic objective(s): I.18.1 Manage the assets of estates of companies in receivership through liquidation of assets and court-approved closure.

Louisiana: Vision 2020 Link: Objective I.8 - To improve the efficiency and accountability of government agencies.

Children's Budget Link: Not Applicable

Other Link(s): Not Applicable

Explanatory Note: Recovered assets of companies go to the companies' creditors, two of which are the Louisiana Insurance Guaranty Association and Louisiana Life and Health Insurance Guaranty Association. Neither the State General Fund nor the Department of Insurance receive any monies from the recovered assets of liquidated companies. No estate can be brought to final closure without court-approval. Some closures have been delayed due to delays in the legal process and/or by various criminal cases related to companies in receivership.

LaPAS PI CODE	L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
			YEAREND PERFORMANCE STANDARD FY 2001-2002	ACTUAL YEAREND PERFORMANCE FY 2001-2002	PERFORMANCE STANDARD AS INITIALLY APPROPRIATED FY 2002-2003	EXISTING PERFORMANCE STANDARD FY 2002-2003	PERFORMANCE AT CONTINUATION BUDGET LEVEL FY 2003-2004	PERFORMANCE AT EXECUTIVE BUDGET LEVEL FY 2003-2004
904	K	Number of companies brought to court-approved closure	5	1 ¹	5 ²	5 ²	3 ²	3 ²
908	K	Total recovery of assets from liquidated companies	\$13,604,804	\$2,570,466 ¹	\$6,785,000 ³	\$6,785,000 ³	\$20,300,000	\$20,300,000

¹ All closures require court-approval. Delays in court proceedings and criminal prosecutions related to some companies in receivership have resulted in fewer than the expected number of closures over the last few years. Although the performance standard for companies brought to court-approved closure was 5 for FY 2001-2002, DOI estimated that 3 court-approved closures would be accomplished, but the actual number of closures was 1, with recovered assets of \$2,570,466, vs \$6,785,000 anticipated.

² Although the FY 2002-2003 performance standard is 5, the department indicated in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend figure to be 3. However, the DOI is optimistic that some of the estates that have remained open due to court delays and related criminal cases may close, with court-approval, during FY 2003-2004.

³ Although the FY 2002-2003 performance standard is \$6,785,000, the department indicated in its FY 2002-2003 First Quarter Performance Progress Report that it anticipates the yearend figure to be \$3,785,000. This is attributed to court delays that the department had expected to have resolved.

Additional information related to this activity may be found in the General Performance Information table that follows.

DEPARTMENT ID: 04H - Department of Insurance

AGENCY ID: 04-165 Commissioner of Insurance

PROGRAM ID: Program B: Market Compliance

GENERAL PERFORMANCE INFORMATION: OFFICE OF RECEIVERSHIP						
LaPAS PI CODE	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES				
		PRIOR YEAR ACTUAL FY 1997-98	PRIOR YEAR ACTUAL FY 1998-99	PRIOR YEAR ACTUAL FY 1999-00	PRIOR YEAR ACTUAL FY 2000-01	PRIOR YEAR ACTUAL FY 2001-02
12273	Number of companies in receivership (at beginning of fiscal year)	32	28	20	17	22
904	Number of companies brought to final court-approved closure during fiscal year	2	10	3	3	1
908	Total recovery of assets of liquidated companies	\$804,040	\$12,744,470	\$1,625,147	1,806,538	2,570,466